The Knowledge Society

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Ladies and Gentlemen,

The fast development of the Information and Communication Technology (ICT) has brought about deep changes in our way of working and living, as the widespread diffusion of ICT is accompanied by organisational, commercial, social and legal innovations.

Our society is now defined as the 'Information Society', a society in which low-cost information and ICT are in general use, or as the 'Knowledge (-based) Society', to underline that the most valuable asset is investment in intangible, human and social capital with the key factors being knowledge, creativity and innovation.

This new society presents great opportunities: it can mean new employment possibilities, more fulfilling jobs, new tools for education and training, easier access to public services, increased inclusion of disadvantaged people or regions that are lagging behind. However, if not properly accompanied, new forms of exclusion such as 'digital exclusion' may threaten some populations, the most disadvantaged people and the less-favoured areas. This is one of the challenges, which the forthcoming World Summit on Information Society in Geneva next month will address.

At the Lisbon Summit in 2000, the European Council paved the way for the Union to make the best out of this new technological and economic context. The Heads of State and Government acknowledged that 'the European Union is confronted with a quantum shift resulting from globalisation and the challenges of a new knowledge-driven economy' and set the strategic goal for Europe to become by 2010 the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.

Exploiting the opportunities of the knowledge-based economy is amongst the key objectives and actions set out in the Social Policy

Agenda, which forms part of the integrated European approach towards achieving the economic and social renewal outlined at Lisbon. Specifically, it seeks to ensure the positive and dynamic interaction of economic, employment and social policy, and to forge a political agreement that mobilises all key actors to work jointly towards the new strategic goal. In this respect digital training and skills for workers to reduce a persistent digital skills gap in the Knowledge-based economy are seen as priority areas.

Policy and initiatives are taken in the framework of the Employment Strategy and the eEurope Action Plan and progress is being monitored with the support of ESDIS (High level Group on the Employment and Social Dimension of the Information Society). Moreover, in 2002, the 6th Framework Research Programme was adopted for the period 2002–2006 and, as in the 5th Framework Research Programme, Slovenia is actively participating.

In addition, the Action Plan on Skills and Mobility adopted at the Barcelona European Council in March 2002 addresses issues such as inadequate occupational mobility, the necessity to adapt education and training systems more effectively to the labour market, as well as to develop lifelong learning and skills acquisition and to improve systems to recognise qualifications and competencies. Barcelona's objective is to increase expenditure on R&D and innovation to 3% of GDP up until 2010 at the EU level, with the largest share of expenditure coming from the private sector.

In this perspective, particular attention should be given to greater investment needs in human capital and ICTS, in particular in Member States and regions that are lagging behind, and to ensure the efficient and productive use of such investment. This will be even more important in the new Member States. Sources of support will include the private sector and other stakeholders as well as, where duly justified, co-financing in the framework of the programming of the Structural Funds, notably the European Social Fund.

Unlike the USA and Japan, the European Union is actually confronted with its own paradoxical situation; namely the level of 'scientific production' is relatively high, but commercial exploitation of know-how and technological as well as other research achievements is too low. No one would question that the growing interdependence between R&D activity, innovation process and economic competitiveness is a crucial feature in

today's global society. Knowledge-intensive activities are now the most evident stimulus of economic growth.

If the Union as a whole is currently under-performing in the knowledge-driven economy in relation to some of its main competitors, this is due partly to an overall level of investment which is comparatively too low in human resources. This observation is all the more worrying as the new requirements stemming from the knowledge-driven society and economy are set to further intensify in the years ahead. Confronted with a likely extension of the average length of working life and ever more rapidly occurring economic and technological changes, people will have to continually update their knowledge and qualifications. At the same time, the knowledge society generates new needs in terms of social cohesion, active citizenship and personal fulfilment, and the answer to this lies solely in education and training.

The above considerations are also valid for Slovenia. Namely, Slovenia's R&D is still characterised by an ineffective transfer of knowledge and technological achievements to the commercial sector, by a rather weak co-operation between various R&D institutions and of course by modest government budget outflows as well as small GDP expenditures for research activities.

According to the latest available figures for Slovenia (Vidrih 2002), the business sector largely finances research units in enterprises (85.5% in 2000 and 90.7% in 1996), while the government finances mainly only the public R&D sector (for the government sector 49% in 2000 and 52.2% in 1996; for the higher education system 40.3% in 2000 and 36.3% in 1996). Only a modest share of gross domestic expenditure is allocated for R&D (1.52% of GDP in 2000). Moreover, the structure of the national budget is inappropriate because too large a share of it is devoted to financing basic research (73.6% in 2000), which limits further application of R&D in the commercial sector.

We welcome Slovenia's commitments to improve the current state of play in the country. The new Research and Development Activity Act, adopted in 2002, is an important development in helping the country to accelerate R&D and technological advancement and has already enabled several improvements. However, further actions are required for a more efficient R&D application in the commercial sector, as well as a more determined approach in the government financing of research activities. We believe that the government should also provide a more supportive

and stimulative R&D environment (tax legislation, research infrastructure).

It is thus appropriate that the newly established University of Primorska should devote particular attention to the importance of strengthening Slovenia's capacity in the Knowledge Society. Taken together with the pioneering efforts of other universities, such as the University of Maribor, these efforts will ensure the that country achieves the competitive edge for its enterprises as it joins the European Union.

REFERENCES

12 Vidrih, A. 2002. Research and development activity in Slovenia. IMAD Working Paper 9.